

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION**

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In re	:	Chapter 9
	:	Case No. 13-53846
CITY OF DETROIT, MICHIGAN,	:	
	:	Hon. Steven W. Rhodes
Debtor.	:	
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**APPLICATION OF THE OFFICIAL COMMITTEE OF  
RETIREES FOR AN ORDER APPROVING RETENTION OF  
BROOKS WILKINS SHARKEY & TURCO, PLLC AS LOCAL COUNSEL**

The Official Committee of Retirees (the "Retiree Committee") hereby applies for entry of an Order under Title 11 United States Code (the "Bankruptcy Code") Sections 901(a), 1102(a)(1) and 1103 authorizing the employment and retention of Brooks Wilkins Sharkey & Turco, PLLC ("BWST or the "Firm") as local counsel in this matter, effective as of September 3, 2013. The Retiree Committee relies on the Declaration of Matthew E. Wilkins in support of this Application, and in further support states:

**JURISDICTION AND VENUE**

1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicates for this Application are Bankruptcy Code Sections 901(a), 1102(a)(1) and 1103.

**BACKGROUND**

3. On July 18, 2013, the City of Detroit (the "City" or the "Debtor") filed a voluntary

petition (the "Petition") for relief under Chapter 9 of the Bankruptcy Code.

4. By Order dated August 2, 2013, the Court directed the Office of the United States Trustee to appoint an official committee for retired employees pursuant to section 1102(a)(2).

5. The Retiree Committee was formed and the following parties were appointed to the Committee on August 22, 2013: (i) Edward L. McNeil for the Detroit, Michigan, Retiree Sub-Chapter 98 of the American Federation of State, County and Municipal Employees, AFL-CIO; (ii) Michael Karwoski; (iii) Shirley V. Lightsey; (iv) Terri Renshaw; (v) Robert A. Shinske; (vi) Donald Taylor; (vii) Gail Wilson Turner; (viii) Gail M. Wilson; (ix) Wendy Fields-Jacobs for the International Union, UAW.

6. The Retiree Committee engaged Dentons LLP ("Dentons") as its general bankruptcy counsel on August 28, 2013.

7. Dentons is a New York-based firm and the Retiree Committee recognized the need for capable local counsel to assist the Dentons firm in its representation of the Retiree Committee.

8. On September 3, 2013, the Retiree Committee interviewed and retained BWST as its local counsel. BWST attorneys Matthew Wilkins and Paula Hall began work on behalf of the Retiree Committee that day. An engagement agreement formally memorializing BWST's engagement was executed on October 2, 2013 (the "Engagement Agreement"). A copy of the Engagement Agreement is attached as Exhibit A.

9. While it is clear that Section 328 of the Bankruptcy Code does not apply to the retention of professionals in this proceeding, and the Debtor is not required to seek court authorization for the retention of its professionals, the Retiree Committee is filing this

Application out of an abundance of caution, as there is arguable ambiguity whether Court approval is required for the employment of professionals under Code section 1102.

10. By this Application, the Retiree Committee seeks the entry of an Order authorizing the employment and retention of BWST in accordance with the provisions of the Firm's Agreement, this Application, and the proposed Order submitted herewith, as local counsel to the Retiree Committee, effective as of September 3, 2013 (the day on which BWST began rendering services to the Retiree Committee).

### **SERVICES TO BE RENDERED**

11. The Retiree Committee seeks to engage BWST as its local counsel based upon BWST's experience and recognized expertise in the areas of bankruptcy and litigation. BWST specializes in these areas and has extensive experience representing trustees, debtors, creditors, and creditors' committees. The Retiree Committee believes that BWST has the necessary expertise to effectively deal with the complex legal issues and challenges that may arise in connection with its role in this case. The services of BWST are appropriate and necessary to enable the Retiree Committee and Dentons to faithfully execute their duties in this case.

12. Specifically, the Retiree Committee has retained BWST to perform the following non-exhaustive list of tasks:

- a. to give legal advice with respect to the Retiree Committee's powers and duties in the context of this case;
- b. to assist and advise the Retiree Committee in its consultation with the Debtor and other regarding the administration of this case;
- c. to attend meetings and negotiate with the Debtor's representatives and others;
- d. to appear, as appropriate, before the Court, the relevant Appellate Courts, and the United States Trustee, and to represent the interest of the Retiree Committee before said Courts and the United States Trustee;

- e. to advise the Retiree Committee in connection with proposals and pleadings submitted by the Debtor or other to this Court;
- f. to generally prepare on behalf of the Retiree Committee all necessary applications, motions, answers, orders, reports, and other legal papers in support of positions taken by the Retiree Committee;
- g. to assist the Retiree Committee in the review, analysis and negotiations of any plan(s) of adjustment that may be filed and to assist the Retiree Committee in the review, analysis, and negotiation of the disclosure statement accompanying any plan(s) of adjustment;
- h. to take all necessary action to protect and preserve the interest of retirees represented by the Retiree Committee, including (i) to investigate and prosecute actions on the Retiree Committee's behalf, (ii) challenge the City's eligibility to use Chapter 9 to terminate retirement promises and (iii) to conduct negotiations concerning all litigation in which the Debtor are involved;
- i. to advise the Retiree Committee on the retention of other professionals and experts to assist in the engagement, including local counsel; (Although Claude Montgomery is a member of the bar of the State of Michigan and previously admitted to the U.S. District Court of Appeals, we have advised the retention of local counsel is appropriate.);
- j. to retain expert professional assistance and witnesses, as necessary; and
- k. to perform all other necessary legal services for the Retiree Committee in connection with this Case.

#### **BWST'S DISINTERESTEDNESS**

13. To the best of the Committee's knowledge, and except as otherwise set forth in the Declaration of Matthew E. Wilkins, a member of BWST, attached hereto as Exhibit B (the "Declaration"), the members and associate attorneys of BWST neither hold nor represent any adverse interest in connection with the case, as required by section 1103(b) of the Bankruptcy Code.

#### **COMPENSATION**

14. As local counsel to the Retiree Committee, BWST shall receive compensation for professional services rendered to the Committee and for expenses incurred exclusively from the Debtor rather than from the Committee or any of its members, subject to the terms of the Fee Review Order entered on September 11, 2013 [Dkt. #810], and such other procedures as may be ordered by this Court.

15. As a courtesy to the Retiree Committee, and in recognition of the importance of this case to the Retiree Committee and its constituents, BWST has agreed to discount its standard hourly rates by approximately 10%. The Firm's current hourly rates are set forth in the Engagement Agreement. Expenses will be charged in conformity with the terms of the Fee Review Order.

**WHEREFORE**, the Retiree Committee respectfully requests that the Court enter an Order, in the form annexed hereto, granting the relief requested in the Application and such other and further relief as would be just and proper in the premises.

Dated: October <sup>25</sup>~~24~~, 2013

Respectfully submitted,

**THE OFFICIAL COMMITTEE OF RETIREES**

By: Terri L. Renshaw  
Terri Renshaw, Chairperson